

**STATE OF WISCONSIN
STATE ACCOUNTING MANUAL**

SECTION:	II Budgetary Accounting	EFFECTIVE DATE:	July 1, 1993
SUB-SECTION:	7 - WiSMART Budgets	REVISION DATE:	July 1, 1993
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WiSMART BUDGETS

WiSMART expense budgets track spending for objects, object classes, object categories or object types. WiSMART revenue budgets track receipts by revenue source. Expense budgets and revenue budgets operate separately. The level expense budgets are set up at can be different from the level at which revenue budgets are set throughout the agency. These budgets can track revenues and expenditures for: Appropriation units, Organizations and Activities or any combination of these within an agency. In order to be used most effectively, budgets should be established prior to the beginning of the year, after appropriation units have been loaded.

Agencies enter budget transactions into WiSMART for expenditures and revenues using the Expense Budget (EB) Transaction or the Revenue Budget (RB) Transaction. See Establish an Expense Budget and Establish a Revenue Budget in the WiSMART Procedures Manual for data entry procedures. Budget transactions can be used to:

1. Establish budget lines. Each budget line is a unique string of account codes for an object or revenue source.
2. Accept or reject transactions. WiSMART will check for a budget line which matches the account code string on a transaction. If the account code string on the transaction does not match a budget line, the transaction will be rejected.
3. Set spending limits. Expense budget lines may also contain spending limits. If there is not enough money in a budget line to cover the expenditure of the transaction, the transaction will be rejected.

Expense Budgets

The required fields on all expense budgets are fund, agency, appropriation unit and object. Depending on agency determined options on the FAGY table, organization and activity may also be required fields.

Fund Table (FUND)

The Expense Budget Control Option on the FUND table determines if expense budgets can be established for spending out of a fund. The valid options are C, P and N.

- C** Full control. An expense budget must be established for each object the agency will spend money for in the fiscal year. Any expenditures made by an agency from this fund will be checked against the available fund balance before WiSMART will process the expenditure.
- P** Presence control. An expense budget must also be established for each object the agency will spend money for in the fiscal year. WiSMART will check to see if the fund exists, but will not check the fund's balance before processing the expenditure. With presence control, agencies are still able to control spending for the object by establishing individual expense budgets with spending control.

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N No control. Agencies cannot establish expense budgets for particular objects paid for by this fund. WiSMART will automatically create expense budget lines to track expenditures from this fund for each object by each agency. (However, this is not an option open to agencies.)

Fund Agency Table (FAGY)

FAGY table options include:

1. Object option. This option indicates whether budgets are to be created for objects (highest level of detail), object classes, object categories or object types (lowest level of detail). For example: Budgeting at Object Class, means that instead of setting up separate expense budgets for the objects electricity, and water and sewer, just one budget for the object class utilities would be required.
2. Organization option. This option determines whether expenditures are controlled and tracked for each organization within the agency. (A "Y" indicator means that expense budgets are set up by organization, which means that both expense budgets and expenditure transactions must include a valid organization for this fund and agency. An "A" indicator means that expense budgets cannot be set up for organizations, but that all expenditure transactions must have a valid organization coded on it. An "N" indicator means that expense budgets cannot be set up for organizations and that coding an organization code on expenditure transactions is optional.)
3. Activity option. This option controls whether expenditures are controlled and tracked for each activity within this fund and agency. A "Y" indicator means that spending is controlled and tracked for all activities used by this agency and paid for by this fund, which means that both expense budgets and expenditure transactions must include an activity code. An "A" indicator means that spending is tracked for this fund/agency combination, but it is not controlled. This means that expense budgets do not have to be set up for activities, but that expenditure transaction must include a valid activity code. An "N" indicator means that expense budgets are not set up for activities. This means that expense budgets do not include activities, and that activities codes on expenditure transactions are optional.

Expense Budget Summary Table (ESUM)

The ESUM table contains all of the valid expense budgets for the particular organization in the header detail. It has up-to-date totals on an organizational basis for the current expense budget, encumbered amount, expended amount and available funds for each object or object class. This table can also be used to check valid object codes for which a particular organization can spend money. An agency should review this table to check for existing expense budgets prior to establishing a new one.

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Transferring Expense Budget Balances

When expense budgets are coded with full spending control, WiSMART will check each expenditure transaction against its corresponding expense budget line to determine if enough money is available to cover the expenditure. If an agency needs to find out how much money is left in its budget it can find the amount by scanning the budget line on the ESUM or EXPB table. If there is not enough money in the expense budget to cover the expenditure, an agency can transfer money to that expense budget from another expense budget. This is accomplished using a Transfer Budget (TB) transaction. Agencies can only use the TB transaction to move expense budgets within the same fund and agency combination. See Transfer Expense Budget in the WiSMART Procedures Manual for data entry procedures. Note: There is no system control to ensure the sum of expense budgets equals the appropriation unit. Therefore, an agency can set spending control tighter than the appropriation unit. The spending control on the appropriation unit will prevent agencies from spending more than their legal unit.

Revenue Budgets

Revenue budgets are set up to track cash receipts for each revenue source. They can also be used to ensure that receipts are coded to the correct revenue source. Agencies can use revenue budgets to record estimated receivables for a particular revenue source. The Fund Table (FUND) contains revenue budget options. These options can be set as follows:

- P Revenue budgets can be established, presence control only
- N No control, not using revenue budgets

All funds will require Revenue Budgets, a budget line must exist for a revenue source before WiSMART will record receipts for that revenue source. Note that presence control does not require a dollar amount, however, one can be added for reporting purposes.
